

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE)	
APPLICATION OF THE FUEL ADJUST-)	
MENT CLAUSE OF LICKING VALLEY RURAL)	CASE NO. 9751
ELECTRIC COOPERATIVE CORPORATION)	
FROM NOVEMBER 1, 1984, TO)	
OCTOBER 31, 1986)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1 (11) and 1 (12), the Public Service Commission ("Commission") issued its Order on November 14, 1986, scheduling a hearing to review the operation of the fuel adjustment clause of Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge. Licking Valley was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Utility and Rate Intervention Division or other interested parties or by the Commission on its own motion.

Licking Valley filed all requested information, including its monthly fuel charges for the 2-year period under review and its affidavit of compliance with the provisions of the fuel adjustment clause as prescribed in 807 KAR 5:056. Following proper notice, no party of record requested Licking Valley to appear at the hearing scheduled for February 10, 1987.

The Commission approved a transfer (roll-in) of (1.46) mills per KWH to the base rates of Licking Valley's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 9731. Approval of East Kentucky's proposal requires that Licking Valley also be authorized to roll-in those same fuel costs to its base rates.

The Commission, having considered the evidence of record and being advised, finds that:

1. Licking Valley has complied in all material respects with the provisions of 807 KAR 5:056.

2. Licking Valley's wholesale supplier has been authorized to transfer (roll-in) to its base rates fuel costs of (1.46) mills per KWH in Case No. 9731.

3. Licking Valley should be authorized to decrease the rates charged its customers by 1.59 mills per KWH in order to transfer fuel costs rolled-in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 9731 and applicable line loss, and this can best be accomplished by a uniform reduction in all energy rates.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

IT IS THEREFORE ORDERED that:

(1) The charges and credits applied by Licking Valley through the fuel adjustment clause for the period November 1, 1984, through October 31, 1986, be and they hereby are approved.

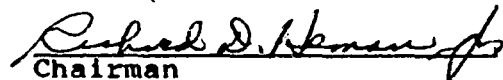
(2) Licking Valley be and it hereby is authorized to transfer to its base rates fuel costs transferred (rolled-in) by its wholesale supplier pursuant to Case No. 9731.

(3) The rates in Appendix A be and they hereby are approved for service rendered by Licking Valley on and after May 1, 1987, which is also the effective date for East Kentucky's rates.

(4) Within 30 days from the date of this Order Licking Valley shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9751 DATED 4/28/87

The following rates and charges are prescribed for the customers in the area served by Licking Valley Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE A* RESIDENTIAL, FARM, SMALL COMMUNITY HALLS AND CHURCH SERVICE

AVAILABILITY OF SERVICE:

Available to members of the Cooperative for all residential and farm use, subject to its established rules and regulations. Available to members of the Cooperative for all community halls and churches with a transformer size of 25 KVA or less.

Monthly Rate:

Customer charge per delivery point	\$5.25	Per Month
Energy charge per KWH	.06196	Per KWH

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid by the ninth (9th) of the following month from the date of the bill, the gross rates shall apply.

SCHEDULE B* COMMERCIAL AND SMALL POWER SERVICE

AVAILABILITY OF SERVICE:

Available to commercial consumers, small schools, small industrial consumers and three-phase farm consumers for all uses including lighting, appliances, cooking, heating and motors of 25 KVA or less, all subject to the established rules and regulations of the Cooperative covering this service.

Monthly Rate:

Customer charge per delivery point	\$ 12.00	Per Month
Energy charge per KWH	.04666	Per KWH

A demand charge of \$3.90 per KW - 25 KW or less
A demand charge of \$6.10 per KW in excess of 25 KW

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid by the ninth (9th) of the following month from the date of the bill, the gross rates shall apply.

SPECIAL RULES:

2. Service under this schedule is limited to consumers whose load requirements can be met by transformers having a capacity not to exceed 25 KVA. Consumers requiring more than 25 KVA shall be served under an appropriate schedule for large power service.

SCHEDULE LP*
LARGE POWER SERVICE

AVAILABILITY OF SERVICE:

Available to consumers located on or near the Cooperative's three-phase lines for all types of usage including churches and community halls in excess of 25 KVA, subject to the established rules and regulations of seller.

Monthly Rate:

Customer charge per delivery point	\$ 45.00	Per Month
Energy charge per KWH	.04674	Per KWH

A demand charge of \$6.10 per KW

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bills are not paid by the ninth (9th) of the following month from the date of the bill, the gross rates shall apply.

SCHEDULE FOR LARGE POWER RATE (LPR)*

AVAILABILITY:

Availability to all industrial users on or near the Cooperative's lines whose kilowatt demand shall exceed 300 KW for lighting, heating and/or power, with the following exceptions: rock quarries, sawmills, mines and any other service of a fluctuating nature due to their poor load factor and temporary nature. This schedule and all of its conditions must be agreed and entered into before the initial connection.

Monthly Rate:

Customer charge per delivery point	\$90.00	Per Month
Energy charge per KWH	.04193	Per KWH

Demand charge of \$6.10 per KW

DELAYED PAYMENT CHARGE:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bills are not paid by the ninth (9th) of the following month from the date of the bill, the gross rates shall apply.

SCHEDULE SL* (SECURITY LIGHTS AND/OR RURAL LIGHTING)

Monthly Rate:

Service for the unit will be unmetered and will be a 175 Watt Mercury Vapor type at \$6.39 each, per month.

*Fuel Adjustment Clause

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10 percent and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.